

Inpatient Out-of-State Prior Authorization Frequently Asked Questions

1. Why is an Out-of-State Prior Authorization requirement for inpatient hospitalizations being implemented?

In order to improve health outcomes and efficiently utilize South Dakota Medicaid and CHIP resources, care should be provided in, or as close to South Dakota as possible. Prior authorization of out-of-state services helps ensure all alternatives are considered and that seeking treatment out-of-state care is necessary.

2. What process do we follow for emergency situations or urgent situations during holidays or weekends?

If the inpatient hospitalization is the result of an emergency, the prior authorization can be granted retroactively.

Hospitals must submit the Prior Authorization Request Form South Dakota Medicaid within 48 hours of the admission, and an expedited determination on these cases will be made within two business days. Providers should also expect to provide at least weekly updates on the hospitalization to South Dakota Medicaid after notification.

3. What process do we follow for non-emergency situations?

A Prior Authorization Request Form must be submitted before any non-emergency hospital admission and before receiving certain services to provide details of the anticipated hospital admission. The Prior Authorization Request Form should be submitted as soon as possible after the surgery or service has been prescribed to allow South Dakota Medicaid time to explore medical necessity and verify the service(s) cannot be provided in South Dakota.

4. What if I have a patient who already has a surgery that will require an inpatient stay scheduled?

Submit the Prior Authorization Request Form and supporting medical records as soon as possible to allow South Dakota Medicaid time to review the situation and issue a determination prior to the scheduled surgery.

5. How long will it take to obtain a prior authorization?

A prior authorization determination may take up to 30 days for an elective admission. These will be completed in the order they are received.

If the admission is the result of an emergent or urgent situation or is a transfer situation, the Prior Authorization Request Form should be submitted within 48 hours of the hospitalization and authorizations will be expedited and completed within 2 business days of the request.

6. Who is responsible for obtaining the out-of-state prior authorization?

Depending on when the prior authorization is obtained, the hospital, primary and specialty referring providers are responsible for obtaining prior authorization and must ensure the service cannot be provided within South Dakota or at a location closer to South Dakota. This responsibility should not be delegated to the recipient.

7. What if the recipient has Medicare?

If the patient has Medicare in addition to South Dakota Medicaid, please follow the Medicare requirements, as South Dakota Medicaid's payments are contingent upon Medicare's determination.

8. What if the recipient has other private health insurance (PHI)?

If the patient has other private health insurance, please follow the requirements of the primary insurance in addition to seeking South Dakota Medicaid approval as the secondary payer.

9. What do I need to do to obtain prior authorization?

A Prior Authorization Request Form must be submitted. The form is available at: <http://dss.sd.gov/sdmedx/includes/providers/programinfo/pa/index.aspx> along with additional information about the out-of-state prior authorization requirement. The form can be submitted by the hospital where inpatient services will be provided or by the recipient's primary or specialty care provider in advance of an anticipated out-of-state inpatient hospitalization.

The Prior Authorization Request Form must be complete and must be accompanied by supporting medical documentation. The referring provider must also verify that there is no provider in South Dakota, or closer to South Dakota, who can provide the service. A written notification of approval or denial will be sent to the contact provided as soon as a determination is made.

10. What if I am not an enrolled South Dakota Medicaid provider?

Out-of-state providers who are not enrolled as a South Dakota Medicaid provider must obtain prior authorization and provide the approved service(s) prior to enrolling in South Dakota Medicaid. These providers should submit the Prior Authorization Request Form. If the request is approved, the provider will receive

written notification stating the determination was made pending enrollment. The provider must submit the resulting claim and the written prior authorization approval notification with the Provider Enrollment documentation.

Please note that South Dakota Administrative Rule 67:16:35:04 requires claims to be filed within 6 months of the date of service.

11. How are prior authorization determinations made?

Registered nurses review each request for medical necessity criteria. All covered services must be medically necessary per Administrative Rule of South Dakota 67:16:01:06:02, which can be found at <http://legis.sd.gov/Rules/default.aspx>.

To ensure that the hospitalization is the most conservative option to meet the recipient's needs, the registered nurse will also verify that the service is provided at the closest possible location.

Registered nurse reviewers may also consult the South Dakota Medicaid Medical Director to assist in complex determinations.

12. Will other services provided out-of-state require prior authorization?

Out-of-state prior authorization of inpatient hospitalizations is the first phase of a more comprehensive out-of-state prior authorization requirement. South Dakota Medicaid will also require other services provided out-of-state to be prior authorized. This will include physician and outpatient services.

Some services will be exempt from the out-of-state prior authorization requirement, including radiology, lab, pathology, durable medical equipment, pharmacy, and emergency services.

13. Does this requirement apply to foster children?

No, foster children are exempt from this requirement.

14. Does this requirement apply to inpatient psychiatric hospitalizations, long-term acute care, rehab stays and NICU?

No, the above services already require prior authorization regardless of location in-state or out-of-state. Only one prior authorization is necessary for a given service.